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COMMENTARY AND CRITICISM OF

"A.N.A. OFFICIAL GRADING STANDARDS FOR UNITED STATES COINS"

We were appointed, together with Ed Milas (Rarcoa), by the A.N.A. Board on February 28th to act as part of a professional team to review the text, "A.N.A. Official Grading Standards for United States Coins."

The manuscript reached our office on March 21st and subsequently a letter from Virgil Hancock instructed us to prepare our remarks by March 31st (see letter attached). Because of the time limit, we have attempted to analyze the general presentation and qualitative scales and descriptions, but we are unable to comment on every paragraph. (After all, it took two years to compile and we have less than 10 days to respond.)

In addition to the partners of the firm of Stack's, and our staff who have studied the manuscript, copies have been shown and discussed with Q. David Bowers of Bowers & Ruddy, Paul Nugget and Louis Vigdor of Manfra, Tordella & Brookes, Julian Leidman, Jerry Cohen of Abner Kreisberg Corp., Max Kaplan, Ira and Larry Goldberg of Superior Stamp & Coin Co., Steve Ivy, Herbert Melnick of NASCA, as well as numerous collectors. The unanimous opinion of these well known and experienced people was that the book in its present form is completely unworkable and detrimental to the industry.



On the following pages is our Commentary which is based on our findings and results of the discussions with the aforementioned Numismatists.

It appears that the responsibility of grading pertains only to the "Dealer to Collector" relationship. Our question is do these rules and regulations apply equally to the following types of transactions of sale or trade by A.N.A. members?

Dealer to Collector

Collector to Dealer

Collector to Collector

Dealer to Dealer

WE URGE YOU TO READ THE COMMENTARY IN CONCERT WITH  
YOUR COPY OF THE MANUSCRIPT.

COMMENTARY ON PREFACE AND INTRODUCTIONOF"A.N.A. OFFICIAL GRADING STANDARDS FOR UNITED STATES COINS"

Initially our feelings are that after making a random selection of the text, we can understand one officer's as well as one Board member's statements that they don't understand grading. As professionals we find the entire concept UNWORKABLE. There is duplication of language describing various grades (saying the same thing without variation for different conditions within the exact same series). These will be enumerated in part as we proceed.

We plan to guide you through the text by referring to the stamped page number in the lower right hand corner of the manuscript.

PAGE 6. Though the compiler should be able to comment in the first person, we do not believe that his mail and his desires to correct a "situation" should be paramount in the Commentary. It is really the A.N.A.'s desire to see if a workable program could be implemented.

PAGE 7. It states that "I had to try to discard, evaluate..." This proves the fact that we have heard from many contributors that they sent in work and they did not receive a chance to review how it was used. This, therefore, becomes almost an arbitrary opinion of one, not a true consensus of many.

PAGE 8. COMMENTS on grading standards:

MS-70. To have 5 areas to describe a "perfect coin" by allowing for minting defects permits upgrading with an excuse.

MS-65) These specimens could be better than MS-70 as they do not require

MS-60) identification as to fault. An area which would breed great dispute.

(69-66) To make the assumption that if someone uses 69-66 it is probable that he is overgrading, is pompous to say the least. This is arbitrary.

AEF-35. This is a way to verbally upgrade a coin. Common acceptance is VF-35.

AVF-15. " " " " " " " " " " " " " " " " F-15.

AF-10. " " " " " " " " " " " " " " " " VG-10.

AVG-6. " " " " " " " " " " " " " " " " G-6.

The above not only provides an area to verbally upgrade, but worse than that, doesn't provide guidelines as how to determine these categories.

The attempt in this grading technique was to imitate Dr. Sheldon. Dr. Sheldon did his whole analysis of grading in two pages. The Large Cents section of early dates alone takes 13 pages in the Grading Book. More verbiage -- more confusion.

- PAGE 8A. Since most dealers use fluorescence, then the limitation of 100 Watts incandescent is ridiculous. Also, we might consider magnification of 3-power would be enough. After all many of us use eye-glasses which in concert with a magnifier does increase the power of the average glass.
- PAGE 9. "... We cannot legislate to control human nature..." Yet the book provides for penalties, arbitration, grading panels, etc. Human nature provides that grading is in the eyes of the beholder.
- PAGE 10. Cleaning. Abrasive cleaning does damage. True. Acid cleaning can do damage also. No mention is made about RE-COLORING. By its absence perhaps it is not of primary importance to the compiler. Re-coloring is one of the great abuses in grading. We cannot believe that it is not even mentioned, no less discussed.
- PAGE 11. The definition of a "whizzed" coin as it appears is nonsense. We were always of the opinion that "whizzing" is cleaning by "whisking" with a metal brush under high speed. The other terms only indicate styles of cleaning.

PAGE 12. In the first paragraph almost a 100% difference in opinion is brought out in the example. How then in later parts of the book can a 10% to 20% variance in lustre be differentiated? Furthermore, the compiler on line 10 concedes that there is difficulty in determining percentages. He states, "If you understand it, fine. If not, we will change it."

PAGE 12B. TOP OF PAGE. We are appalled at this statement. Obviously the MS-70 Large Cent population COULD NOT be larger than ALL of the Nickel and Silver coins combined. Sheer nonsense.  
CENTER OF PAGE. If we are to compromise and have a happy medium, then we really shouldn't have penalties. In our opinion you cannot compromise an objective decision.

BOTTOM OF PAGE. Shield Nickels are NEVER found on cracked planchets. The planchets are O.K., the dies are cracked because of the hardness of the metal. Any Numismatist should know this. Statements like this are one of the reasons the book MUST BE REVIEWED CAREFULLY AND IN ITS ENTIRETY.

PAGE 13. Grading vs. Values. What if it takes a number of years to be accepted? The ensuing problems resulting from different levels, 10 points and value, could cause collectors to leave the field because they will never know for sure what they own.

PAGE 14. FOURTH PARAGRAPH. Contradictory - the word "may" means that it doesn't have to be worn. Therefore, it could be Uncirculated.

FIFTH PARAGRAPH. This is exactly the same as Grading vs. Value on page 13. Suggest you ask the compiler to convince collectors of five years or more to down-grade their coins because of this "New Standard"!

SIXTH PARAGRAPH. The compiler admits that the Standard of the day based on instinct (and experience) is really a uniform approach to the subject of grading used by most sellers - so why change it for a few at the expense of many (collector and dealer)?

SIXTH PARAGRAPH (BOTTOM). The compiler already has the culprit! Did he ever consider the fact that the greed of the careless collector helped build his own mousetrap?

SEVENTH PARAGRAPH. Since coin collecting has lasted and grown in the last 2,600 years using the standards of the day - then why change it? This is like putting a new engine in a car because the old, perfectly good engine may wear out one day.

PAGE 15. One picture is worth a thousand words. "Photograde" type of presentation is much easier for the collector to understand, with emphasis by line drawing.

PAGE 18. BOTTOM OF PAGE. Matte Proofs. 1908 - 1916. Another Numismatic error of importance. I assume the compiler meant gold, nickel or copper. Certainly silver coins in this period are Brilliant Proofs. The Indian Cents and Liberty Nickels are also Brilliant. Even the gold coins are two distinct types: 1908, 1911-1915 Matte Proofs; 1909, 1910 Roman Finish Proofs. If this error remained unchanged think of the confusion.

PAGES 19-24. DID THE A.N.A. REALLY AUTHORIZE THE FOLLOWING?

- a. A.N.A. Proficiency Emblem.
- b. Dr. Sol Taylor to supervise the program.
- c. Grading Service to accept liability. (Including errors in judgment?)
- d. Express Service. (Where a coin could be switched after it was graded by the A.N.A.)
- e. Penalties and Fines (with or without a trial).
- f. Expulsions. Is the A.N.A. now a trade organization?
- g. Arbitration. This differs from P.N.G. procedure. (The A.N.A. Board of Governors are to be the Arbitrators?)

PAGES 21-22. COUNTER-OFFER. What does the compiler want - A Flea Market? This will give license for every collector to "bargain" on each coin. Also many dealers might take the posture of overpricing, taking less, and thereby being relieved of any responsibility (2nd paragraph, page 22).

PAGE 22.      TOLERANCES. Read the coin descriptions and see if you can describe a coin within 5 points. We can't figure most within 10 to 20 points using this text.    SUGGESTION: Give the manuscript to a collector and see if he can understand it.

TOLERANCES - STATUTE OF LIMITATIONS. If a book like this is to be published, the A.N.A. better have a hard line on the Statute of Limitations or no sale will be final. Bear in mind that consignors are paid within 45 days from the date of an Auction Sale.

COMMENTARY ON THE GRADING SECTIONPAGES 26 - 244"A.N.A. OFFICIAL GRADING STANDARDS FOR UNITED STATES COINS"

It is the consensus of opinion of the full-time reputable dealers we have conferred with and to whom we showed copies of this draft, that it is totally unworkable in its present form.

Our understanding of the necessity of this book is to help the collector in determining the condition of a coin. Unfortunately, this book simply doesn't help - in fact, it has made the job hopelessly complex.

There is, as we will point out below, a pattern of repetition of language to describe different grades. In fact there are many cases where it is not possible to differentiate between 4 grades! Because of the limited time afforded us we have sampled each denomination in the following manner. In order to be fair, we have taken the first year of issue of every coin, or an entire denomination, whichever is applicable, to prove our point. In this way we cannot be criticized for "picking or choosing" the situation which best fits our argument.

An analysis of the MS problem indicates that only MS-70 coins are prone to D-Die worn, M-Mint adjustment, P-Planchet imperfect, S-Strike weak, according to the manuscript. But really, aren't all coins? We cannot see any reason why only the MS-70 coins were singled out.

PAGE 26. 1793 Half Cent. MS-60 sounds much better than MS-65 because of all the defects pointed out on the 65 coin, i.e. nick, bagmarks, fingerprint or discoloration. EF-40 to AU-55 for all intents and purposes, the descriptions appear the same. Even VF-30 nearly falls in the same league.

PAGE 39. 1793 Chain Cent. MS-60 sounds far better than 65 (see the 1793 Half Cent above). AU-50 and AU-55 are exactly the same. The 40 sounds a lot better than the 45 and surely the VF-20 appears a lot better than the 30.

PAGE 58. 1856-1858 Cent. The 60 appears far better than a 65. VF-20 looks better than the 30. Also, how does one measure 80% vs. 70% detail considering worn dies, planchet imperfections and weak strikes? And mind you there is a 10 point difference.

PAGE 64a. 1. There are spotted coins and unspotted coins.  
6. The term Processed can give the illusion of work done outside the Mint (witness the 1943 "processed" cent).

PAGE 65. Two Cents. Here again, the 60 coin appears better than the 65 coin. (See comments page 26 above). The 40 to 55 reverses sound the same. The obverses virtually the same. The 20 sounds better than the 30.

PAGE 67a. The fact is that the 1864 is the sharpest and the most brilliant of the entire set. To make a statement about the 1872, without examination, is sheer nonsense; consider that 65,000 were coined for circulation!

PAGE 68. Three Cents (Nickel). MS-60 is better than 65 in the description; in a curious way it is almost better than the 70. It takes a keen eye to differentiate between 1/3 and 50% mint lustre. VF-20 and 30 are exactly the same descriptions on obverse. It would take a genius to figure the reverse.

PAGE 69a. Note on 3¢ Nickel. Words fail us! In all our collective years we have never seen an ad, brochure, catalog, or any other printed document, other than this, which states than an 1877 and 1878 3¢ Nickel was sold as a Business Strike.

PAGE 70. 3¢ (Silver). All three types are lumped together in grading. IMPOSSIBLE! Type I and Type III can perhaps come close because they both have rims; however, the Type II is in a class by itself as in the NOTE, and must be judged separately. The 60 is nearly on par with the 70 and doesn't require a "modified" letter.

PAGE 72. 5¢ Shield. Brilliance has nothing to do with its surface. Proof-like or frosty, it can still be Brilliant. How many nicks, blemishes or bagmarks, and how do you interpret it to change a number from MS-65 to 60? AU-50 and AU-55 are exactly the same!

PAGE 74a. Note on 5¢ Shield. Here again, illogical reasoning probably by people without experience. 5¢ dated 1879, 1880, 1881 are either Proofs or not. They do not frequently come dull. Would like to comment on the last two lines if we only knew what they meant.

PAGE 76a. Notes on 5¢. Sheer nonsense in its entirety. Nothing inherent in these coins makes them dull, spotty or stained. Method of storage is the answer.

PAGE 81. 1794 Half Dime. No definitive characteristics to differentiate between 65 and 60. We have noticed throughout the silver the use of the term, "There may be some toning." There should be toning or else it was cleaned.

PAGE 97. 1796-97 Dime. Reading EF-40 to AU-50. There is very little difference. Here again, how many is a "few" more bagmarks in the 65-60 category.

PAGE 111. 1892-1916 Dime. This is the only case where we have deviated from our examination format. We wanted to illustrate one modern coin. Please instruct us as to the difference between MS-70 - 65 - 60. There is none.

PAGE 117. 20¢. With only a 10% variable in mint lustre who can tell the difference between 55 and 50. Also the NOTE is wrong, it is backwards. The obverses are well struck and the reverses weak. What is a few or a few more bagmarks in 60 to 65? The reverse description is virtually the same from AU-55 to VF-30.

PAGE 120. 1796 25¢. The presentation of this description is really poor. The coin can be MS-70d but can be included in MS-65 for that variety. Really now! "There may be some toning." -- What is expected in a silver coin hanging around for 180 years - Snow White? Please tell us the difference between 45 and 40.

PAGE 150. 1794-95 50¢. MS-70 "may have some toning." Show me one without and I'll show you one that was cleaned. EF-40 sounds better than 45. (Appropos of nothing, all Mint State Barber coins must be PERFECT, bagmarks notwithstanding.) On page 170, is it O.K. if a MS-70 coin has toning but no lustre?

PAGE 176. 1794-95 \$1.00. Here again, what constitutes a few bagmarks and a few more bagmarks? Also 50 and 55 seem to be the same description.

PAGES 186-190. Special Note. Morgan and Peace Dollars. For a book that attempted to be consistent in grading, inconsistency is glaringly evident. In both these series the following grades were omitted: AU-55, EF-45, VF combined. One of the most collected and publicized series in United States Numismatics and a practical course was taken. This makes much more sense than any of the other series. It conforms to the Old Standard (verbal descriptions) with one category per grade.

PAGE 191. Trade Dollar. The MS-60 certainly appears to be a better coin than the 65 (no defects noted). Also the percentage factor is a problem with regard to mint lustre.

PAGES 198-198. Commemoratives. The description of this series is totally without merit. Since these coins were not intended for circulation we doubt if Mr. Swiatek could ever have seen a complete set of used coins to make his determination. Also we do not see much consideration given to strike.

GOLD COINS

PAGES 199-244. Gold \$1.00 to \$20.00. Since there is a sameness of language that carries throughout, we will comment on the Gold Series as a unit.

The condition MS-60 is really dangerous. "... Unless the coin has been cleaned in which case the mint lustre may have been removed." If a coin was cleaned to that extent where all or even most of the lustre was removed, then it is impossible to call it Mint State!

The condition AU-55 comparatively speaking could be far better than MS-60. Witness the fact that if you had a 55 coin with 80% lustre it certainly would be considered to be better than a MS-60 coin with no or only partial lustre.

We have always been extremely wary of the terms, "Looks Unc.", "Resembles Unc.", etc. The way in which the upper two circulated grades are written we honestly believe that a coin 10 to 25 points less could pass using those standards.

All in all, as a complete unit, the Gold Series is certainly the most misleading of all. It really appears like it was written by a non-numismatist! There is no question that the entire series MUST BE COMPLETELY REWRITTEN.

S U M M A T I O N

We believe that if this book in its present form was brought to the public's attention it would make a laughing-stock of the A.N.A. We do not want this to happen.

It contains confusing identifications, duplication of language within the grades (thus making it impossible to make a definitive evaluation), introduces fractions and/or percentages to grade coins by, without establishing a guideline from which to measure, and does have numismatic errors.

Frankly, we believe the Guidebook does a much better job in a fraction of the words. Photograde is even better.

We simply cannot believe that the roster of people in the preface ever saw the manuscript. We know many of them and it is inconceivable that they wouldn't have informed the compiler of the overwhelming amount of errors present. Mind you, we only took the first year of issue of the entire series. The amount of repetition, trivia, non-informed "facts," and just plain errors, make this the poorest literary attempt we have ever seen.

The text also states the provisions by the A.N.A. for the following ... Proficiency Emblems, Dr. Sol Taylor as a supervisor, Grading Service, Penalties and Fines, and that the Board of Governors to be arbitrators. (This in light of the revelation at the Roundtable that at least one Board Member and one Officer admitted they knew nothing about grading.)

We do not believe the Board has fully considered, voted or sanctioned any of the foregoing. The title, "A.N.A. OFFICIAL..." will oblige the A.N.A. to act as judge and jury in any areas of dispute as enumerated in the book. Fines, penalties, and the like could become legal matters ... more expense for the A.N.A. to pay to defend.

The time limit did not permit us to review the manuscript page by page. We did, however, survey members of our firm, collectors, and dealers in order to get their reaction to the book.

THEIR ANSWER -- Unworkable in its present state!

RECOMMENDATION

That a simplified definition of commonly accepted terms be compiled, in a manner similar to the Guidebook, Photograde, and Brown & Dunn. The Morgan and Peace Dollar section of the manuscript comes closest to the recommendation that we have continuously offered to the Compiler, Members of the Board, and many of the Contributors.

We propose a simplified definitive system of grading called OBJECTIVE and SUBJECTIVE GRADING. Each coin must have an OBJECTIVE GRADE and would be limited to:

UNC or MS

AU

EF

VF

F

VG

G

Fair

The OBJECTIVE GRADE would be the area of responsibility for grading. Inasmuch as the greatest area for dispute arises between an Uncirculated (Mint State) coin and one which is not, primarily because of the vast financial differences, a sharply defined text is both necessary and mandatory.

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The SUBJECTIVE GRADES should not be mandatory but could be used by any individual if he wishes to use numbers to replace descriptive language, i.e. the fine differences within the OBJECTIVE GRADE. As an example, the coin could be Objectively Graded VF; it then can be Subjectively Graded VF-20, VF-25, VF-30, or VF-35. The number is in the "eyes of the beholder." THERE SHOULD BE NO RESPONSIBILITY FOR THE SUBJECTIVE OPINION.

In summary, grading standards by the OBJECTIVE GRADING would be the grade for responsibility and the SUBJECTIVE GRADING would be to please the owner. This plan would limit debates, for the differences between Mint State and About Uncirculated would be great and would provide a definitive verbal way of explaining the differences. The same would be true of AU-50 to EF-40, etc.

If the text were rewritten and set forth in the above manner, it possibly could become workable. Otherwise the publishing in its present form would be an EXERCISE IN FUTILITY.

Harvey G. Stack

Norman Stack

Benjamin Stack

MARCH 24, 1977.



# AMERICAN NUMISMATIC ASSOCIATION

Chartered by Congress

Virgil Hancock, President  
Box 936  
Bellaire, TX 77401

Monday morn, March 21, '77

Good Morning, Harvey -

Have talked with Ken Bressett . . . printing time from four to five months, and, from experience, I'll accept the 5 months date for delivery of the book.

So, Harvey, no later than Thursday, March 31 . . . 1977, of course . . . please drop into the mails Xerox copies of what pages you'll have inked in your suggestions. You may retain the complete Xerox typescript . . . just send to me your own Xerox'd pages on which you'll have jotted your suggestions.

Thank you, Harvey.

Sincerely,

s

A handwritten signature in black ink, appearing to read "Virg".